USA 1953-1973: Domestic Affairs

(Note: Each of these pages contain links to a number of key speeches from these Presidents)

# President Eisenhower (1953-1961)

<http://millercenter.org/president/eisenhower/essays/biography/4>

### Domestic Affairs

Although there were dangerous moments in the Cold War during the 1950s, people often remember the Eisenhower years as "happy days," a time when Americans did not have to worry about depression or war, as they had in the 1930s and 1940s, or difficult and divisive issues, as they did in the 1960s. Instead, Americans spent their time enjoying the benefits of a booming economy. Millions of families got their first television and their second car and enjoyed new pastimes like hula hoops or transistor radios. Young people went to drive-in movies or malt shops, often wearing the latest fashions—pegged pants for men, poodle skirts for women.

Yet the Eisenhower years were not so simple or carefree, and the President faced important and, at times, controversial issues in domestic affairs. Managing the economy involved important choices about how to maintain prosperity or how much to spend on what we today call "infrastructure." Protecting freedom and the rule of law necessitated difficult decisions as civil rights became an urgent national issue. Dealing with the effects of the Cold War at home required complicated action because of the sensational charges of Senator Joseph R. McCarthy about Communist infiltration of government agencies. In the eyes of a majority of the public, Eisenhower usually made the right choices, as he often enjoyed approval ratings of over 70 percent in the polls. Yet Eisenhower also had critics, who believed that he had not used his powers as President vigorously or effectively to protect individual freedom and insure justice.

#### Modern Republicanism

During the campaign of 1952, Eisenhower criticized the statist or big government programs of Truman's Fair Deal, yet he did not share the extreme views of some Republican conservatives. These "Old Guard" Republicans talked about eliminating not just Fair Deal but also New Deal programs and rolling back government regulation of the economy. Eisenhower favored a more moderate course, one that he called Modern Republicanism, which preserved individual freedom and the market economy yet insured that government would provide necessary assistance to workers who had lost their jobs or to senior citizens. He intended to lead the country "down the middle of the road between the unfettered power of concentrated wealth . . . and the unbridled power of statism or partisan interests."

As President, Eisenhower thought that government should provide some additional benefits to the American people. He signed legislation that expanded Social Security, increased the minimum wage, and created the Department of Health, Education and Welfare. He also supported government construction of low-income housing but favored more limited spending than had Truman.

Eisenhower secured congressional approval of some important new programs that improved the nation's infrastructure. In partnership with Canada, the United States built the St. Lawrence Seaway. His most ambitious domestic project, the Interstate Highway program, created a 41,000-mile road system. This highway project, which, as the President said, involved enough concrete to build "six sidewalks to the moon," stimulated the economy and made driving long distances faster and safer. Yet the new super highways also had adverse effects, as they encouraged the deterioration of central cities, with residents and businesses moving to outlying locations.

Eisenhower often got his way with Congress, especially during his first term. But in his last years as President, with Democrats in control of both the House and the Senate, Congress spent more for domestic programs than Eisenhower would have preferred. Although the President used his veto to block expensive programs, domestic spending still rose substantially, increasing from 31 percent of the budget in 1953 to 49 percent in 1961.

#### Prosperity and Poverty

Although mild recessions slowed growth in 1953-1954, 1957-1958, and again in 1960, the economy expanded robustly during most of the 1950s. Unemployment was generally low, and inflation usually was 2 percent or less. Although Old Guard conservatives pressed Eisenhower to cut taxes, the President gave a higher priority to balancing the budget. Eisenhower had moderate success—three of his eight budgets were in the black. Wage earners enjoyed a prosperous decade: During the Eisenhower presidency, personal income increased by 45 percent. Many families used their purchasing power to buy new houses, frequently in suburban developments. Consumers also used their income to acquire many new household items, including television sets and high-fidelity equipment. A few families even made their purchases by using the first charge cards from Diners Club and American Express.

Yet many Americans did not share in the prosperity of the 1950s. About one in every five Americans lived in poverty by the end of the decade. The poverty rate declined during Eisenhower's presidency, but still forty million Americans were poor when Eisenhower left office. The South had almost half of the country's poor families. Yet during the 1950s, poverty increased in northern cities, especially because of the migration of African Americans who left the South for cities like Detroit, Chicago, and Cleveland because new farm machines had taken away job opportunities. Children and the elderly were much more likely to experience poverty than adults from ages eighteen through sixty-five. Yet even though poverty was widespread, poor people got little attention during the 1950s. It was easier to celebrate the abundance of a booming consumer economy. People who had lived through the Great Depression of the 1930s emphasized the economic security of the 1950s. It was not until the 1960s that affluent Americans rediscovered the poverty amid the prosperity.

#### Eisenhower and McCarthy

One of Eisenhower's most difficult political problems involved Senator Joseph R. McCarthy, who had been in headlines since 1950 because of his charges that Communist spies or sympathizers held high positions in the federal government. Republicans had gained from McCarthy's charges that the Truman administration was "soft on communism." But after the Eisenhower administration took power, McCarthy continued his attacks, even suggesting that the President's nominees for important ambassador positions were disloyal or subversive. Republican leaders could not persuade McCarthy, a member of their own party, to halt his attacks on a Republican administration. The news media gave McCarthy significant attention, but his charges never led to a single indictment or conviction.

Eisenhower also worried about Communist spies or agents, but he disliked McCarthy's outrageous methods, including a tendency to consider someone guilty until proven innocent. Yet Eisenhower did not want to criticize McCarthy publicly, as he was fearful that such a direct confrontation would demean his office or work to the senator's advantage: "I just won't get into a pissing contest with that skunk," the President declared.

In 1954, Americans got a good look at McCarthy in action when he held televised hearings on Communist influence in the U.S. Army. Eisenhower was outraged that McCarthy had made the Army—the institution in which the President had served for most of his adult life—a target. Yet he decided to work quietly, behind the scenes, to frustrate McCarthy's investigations. What did far more to diminish the senator's power was television's ability to bring McCarthy's surliness into American living rooms. By 1954, 56 percent of American homes had television. TV could have a powerful political effect. Eisenhower used it to his advantage; he was the first President to hold a televised news conference and the first to have an advertising agency produce a television campaign commercial for his reelection. But television could also diminish political power, and that is what it did to McCarthy. After watching McCarthy on television, millions of viewers agreed with the question that Joseph Welch, a lawyer working for the Army, put to the senator: "Have you no sense of decency, sir, at long last?"

At the end of 1954, the Senate voted to censure McCarthy. Never again was the senator a major force in national politics. But during the four years that he had the spotlight, McCarthy ruined many reputations by making reckless and unsubstantiated charges. Eisenhower played a modest role in finally curbing McCarthy's power.

#### Civil Rights

Eisenhower's greatest failure as President was his handling of civil rights. Eisenhower did not like dealing with racial issues, but he could not avoid such matters after the Supreme Court ruled in 1954 in the case of Brown v. Board of Education of Topeka that racial segregation in public schools was unconstitutional. Eisenhower disliked the Court's ruling, and he refused to endorse it. Although the President usually avoided comment on court decisions, his silence encouraged resistance to school desegregation. In many parts of the South, white citizens' councils organized to prevent compliance with the Court's ruling. While some of these groups relied on political action, others used intimidation and violence.

Although Eisenhower did not agree with the Supreme Court, he had a constitutional responsibility to uphold its rulings. He did so in 1957, when mobs prevented the desegregation of Central High School in Little Rock, Arkansas. Governor Orval Faubus saw political advantages in using the National Guard to block the entry of the first African American students to Central High. After meeting with Eisenhower, Faubus promised to allow the students to enroll, but then he withdrew the National Guard, which allowed a violent mob to surround the school. Eisenhower dispatched federal troops and explained that he had a solemn obligation to enforce the law. Troops stayed for the entire school year, and in the spring of 1958, Central High had its first African American graduate.

But in September 1958, Faubus closed public schools to prevent their integration. Eisenhower took no action, despite what he had done a year earlier. There was no violence this time—Eisenhower believed that he had an obligation to preserve public order, not to speed desegregation. When Eisenhower left the White House, only 6 percent of African American students attended integrated schools.

Eisenhower's record included some achievements in civil rights. In 1957, he signed the first civil rights legislation since the period of Reconstruction after the Civil War. The law provided new federal protection for voting rights. In most southern states, the great majority of African Americans simply could not vote, despite their constitutional right to do so, because of literacy tests, poll taxes, or other obstacles. Yet the law required a jury trial to determine whether a citizen had been denied his or her right to vote. In southern states, where African Americans could not serve on juries, such trials were not likely to insure black access to the vote. In 1960, Eisenhower signed a second civil rights law, but it provided only small advances over the earlier law. The President also used his constitutional powers, where he believed that they were clear and specific, to advance desegregation, for example, in federal facilities in the nation's capital.

Despite these actions, Eisenhower was at best a tepid supporter of civil rights. He urged advocates of desegregation to go slowly. He said that integration required a change in people's hearts and minds. Eisenhower was sympathetic to white southerners who complained about alterations in what they said was their way of life. He considered as extremists both those who tried to obstruct decisions of federal courts and those who demanded that they immediately enjoy the rights that the Constitution and the courts provided them. Eisenhower refused to use his moral authority as President to advance the cause of civil rights. This issue, which divided the country in the 1950s, became even more difficult in the 1960s.



# President Kennedy (1961-1963)

<http://millercenter.org/president/kennedy/essays/biography/4>

### Domestic Affairs

Kennedy's domestic legislative program, often described by the umbrella term of "New Frontier" legislation taken from his July 1960 acceptance speech to the Democratic National Convention, faced an often difficult passage through Congress. With the Democratic majority in Congress razor-thin and many Southerners in his own party suspicious of the new President and his northeast establishment background, Kennedy was forced time and again to compromise on his legislative program.

#### Economic and Legislative Challenges

Kennedy took office in the depths of the fourth major recession since World War II. Business bankruptcies had reached the highest level since the 1930s, farm incomes had decreased 25 percent since 1951, and 5.5 million Americans were looking for work. Kennedy's response was a series of efforts designed to lower taxes, protect the unemployed, increase the minimum wage, and to focus on the business and housing sectors to stimulate the economy. Kennedy believed that such measures would begin an economic boom that would last until the late 1960s. His advisers thought it possible to "fine tune" the economy with a mix of fiscal and monetary measures; Kennedy accepted their advice and was impressed with their expertise, which seemed to work at the time. Partly as a result of the administration's efforts to pump money into domestic and military spending, the recession had faded by the end of Kennedy's first year in office. The President also proposed new social programs. These included federal aid to education, medical care for the elderly, urban mass transit, a Department of Urban Affairs, and regional development in Appalachia.

Lacking deep congressional support, however, Kennedy's programs encountered tough legislative sledding. He did manage an increase in the minimum wage, but a major medical program for the elderly was shot down. Attempts to cut taxes and broaden civil rights were watered down on Capitol Hill. The proposal for a Department of Urban Affairs was killed by southern Democrats who thought Kennedy would appoint an African-American as first secretary. The education bill foundered on the question of aid to parochial schools: Kennedy, as a Catholic, had to oppose such aid to maintain his credibility with the electorate. His successor, a Protestant, was under no such constraints and would pass a bill providing for aid to parochial schools. On the positive side of the ledger, the government undertook regional development in Appalachia, an initiative that would have a major impact over the next three decades in reducing poverty in the region.

#### Civil Rights

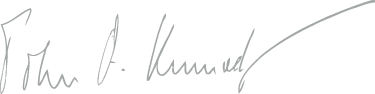
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But by far the most volatile—and divisive—domestic issue of the day was civil rights. African-Americans were striving to reverse centuries of social and economic hardship, and activism against legalized racism was growing. This activism was troubling to many whites, particularly in the South. Kennedy's role—or lack of it—in this great crusade remains controversial. In short, he concentrated more on enforcing existing civil rights laws than on passing new ones. Moreover, he had to bow to the custom of "senatorial courtesy" and appoint federal judges in the South who were acceptable to southern Democratic senators. These judges were opposed to civil rights enforcement, and their record was much worse than that those judges appointed in the south by Republican President Eisenhower, who was under no such party constraints. On several occasions, Kennedy invoked some of the highest powers of his office to send troops to southern states that were refusing the racial integration of their schools.

In September 1962, a long-running effort by James Meredith, a black Mississippian and veteran of eight years in the U.S. Air Force, to enroll at the traditionally white University of Mississippi (Ole Miss) came to head. When the governor of Mississippi, Ross Barnett, defied federal court rulings allowing Meredith to enroll at the university, Kennedy, through his brother Robert, the attorney general, federalized the Mississippi National Guard and ordered an escort of federal marshals to accompany Meredith to the campus. Meredith finally enrolled on October 1, 1962, but not without a violent riot that took thousands of guardsmen and armed soldiers fifteen hours to quell. Hundreds were injured and two died.

During 1963, the civil rights struggle grew increasingly vocal and faced increasing violence. Led by Dr. Martin Luther King, Jr., African-American activists had proclaimed their impatience with "tokenism and gradualism . . . We can't wait any longer." The persistence of the Freedom Riders seeking to desegregate buses in the South—in the face of personal peril—and a huge "March on Washington" in June 1963 at which King delivered his "I Have a Dream" speech to an audience of a quarter of a million people, provided potent indications that the civil rights movement was not going to fade away and was, in fact, galvanizing. And when four children were killed that September in a racially motivated bombing of a church in Birmingham, Alabama, Kennedy once again chose to intervene.

Kennedy's political strategy was to delay sending a civil rights bill to Congress until his second term, when he could afford to split his party and pick up the backing of moderate Republicans to pass the measure. He felt that if he did this in his first term, the rest of his program would suffer. However, African-Americans remained unconvinced of the political maneuvering and insisted on immediate action to protect their rights. Toward the end of 1963, Kennedy finally submitted a civil rights bill, which became law after his death. In a televised speech announcing his decision, he observed that the grandchildren of the slaves freed by Lincoln "are not yet freed from the bonds of injustice."



# President Johnson (1963-1969)

[**http://millercenter.org/president/lbjohnson/essays/biography/4**](http://millercenter.org/president/lbjohnson/essays/biography/4)

### Domestic Affairs

The Lyndon Johnson presidency marked a vast expansion in the role of the national government in domestic affairs. Johnson laid out his vision of that role in a commencement speech at the University of Michigan on May 22, 1964. He called on the nation to move not only toward "the rich society and the powerful society, but upward to the Great Society," which he defined as one that would "end poverty and racial injustice." To that end, the national government would have to set policies, establish "floors" of minimum commitments for state governments to meet, and provide additional funding to meet these goals.

By winning the election of 1964 in a historic landslide victory, LBJ proved to America that he had not merely inherited the White House but that he had earned it. The election's mandate provided the justification for Johnson's extensive plans to remake America. Large Democratic majorities in the House and Senate, along with Johnson's ability to deal with powerful, conservative southern committee leaders, created a promising legislative environment for the new chief executive.

#### The Great Society

Johnson labeled his ambitious domestic agenda "The Great Society." The most dramatic parts of his program concerned bringing aid to underprivileged Americans, regulating natural resources, and protecting American consumers. There were environmental protection laws, landmark land conservation measures, the profoundly influential Immigration Act, bills establishing a National Endowment for the Arts and the National Endowment for the Humanities, a Highway Safety Act, the Public Broadcasting Act, and a bill to provide consumers with some protection against shoddy goods and dangerous products.

To address issues of inequality in education, vast amounts of money were poured into colleges to fund certain students and projects and into federal aid for elementary and secondary education, especially to provide remedial services for poorer districts, a program that no President had been able to pass because of the disputes over aid to parochial schools. Johnson, a Protestant, managed to forge a compromise that did provide some federal funds to Catholic parochial schools. He signed the bill at the one-room schoolhouse that he had attended as a child near Stonewall, Texas. With him was Mrs. Kate Deadrich Loney, the teacher of the school in whose lap Johnson sat as a four-year-old.

To deal with escalating problems in urban areas, Johnson won passage of a bill establishing a Department of Housing and Urban Development and appointed Robert Weaver, the first African American in the cabinet, to head it. The department would coordinate vastly expanded slum clearance, public housing programs, and economic redevelopment within inner cities. LBJ also pushed through a "highway beautification" act in which Lady Bird had taken an interest. For the elderly, Johnson won passage of Medicare, a program providing federal funding of many health care expenses for senior citizens. The "medically indigent" of any age who could not afford access to health care would be covered under a related "Medicaid" program funded in part by the national government and run by states under their welfare programs.

#### The War on Poverty

LBJ's call on the nation to wage a war on poverty arose from the ongoing concern that America had not done enough to provide socioeconomic opportunities for the underclass. Statistics revealed that although the proportion of the population below the "poverty line" had dropped from 33 to 23 percent between 1947 and 1956, this rate of decline had not continued; between 1956 and 1962, it had dropped only another 2 percent. Additionally, during the Kennedy years, the actual number of families in poverty had risen. Most ominous of all, the number of children on welfare, which had increased from 1.6 million in 1950 to 2.4 million in 1960, was still going up. Part of the problem involved racial disparities: the unemployment rate among black youth approached 25 percent—less at that time than the rate for white youths—though it had been only 8 percent twenty years before.

To remedy this situation, President Kennedy commissioned a domestic program to alleviate the struggles of the poor. Assuming the presidency when Kennedy was assassinated, Johnson decided to continue the effort after he returned from the tragedy in Dallas. One of the most controversial parts of Johnson's domestic program involved this War on Poverty.

Within six months, the Johnson task forces had come up with plans for a "community action program" that would establish an agency—known as a "community action agency" or CAA—in each city and county to coordinate all federal and state programs designed to help the poor. Each CAA was required to have "maximum feasible participation" from residents of the communities being served. The CAAs in turn would supervise agencies providing social services, mental health services, health services, employment services, and so on. In 1964, Congress passed the Economic Opportunity Act, establishing the Office of Economic Opportunity to run this program. Republicans voted in opposition, claiming that the measure would create an administrative nightmare, and that Democrats had not been willing to compromise with them. Thus the War on Poverty began on a sour, partisan note.

Soon, some of the local CAAs established under the law became embroiled in controversy. Local community activists wanted to control the agencies and fought against established city and county politicians intent on dominating the boards. Since both groups were important constituencies in the Democratic Party, the "war" over the War on Poverty threatened party stability. President Johnson ordered Vice President Hubert Humphrey to mediate between community groups and "city halls," but the damage was already done. Democrats were sharply divided, with liberals calling for a greater financial commitment—Johnson was spending about $1 billion annually—and conservatives calling for more control by established politicians. Meanwhile, Republicans were charging that local CAAs were run by "poverty hustlers" more intent on lining their own pockets than on alleviating the conditions of the poor.

By 1967, Congress had given local governments the option to take over the CAAs, which significantly discouraged tendencies toward radicalism within the Community Action Program. By the end of the Johnson presidency, more than 1,000 CAAs were in operation, and the number remained relatively constant into the twenty-first century, although their funding and administrative structures were dramatically altered—they largely became limited vehicles for social service delivery. Nevertheless, other War on Poverty initiatives have fared better. These include the Head Start program of early education for poor children; the Legal Services Corporation, providing legal aid to poor families; and various health care programs run out of neighborhood clinics and hospitals.

Overall government funding devoted to the poor increased greatly. Between 1965 and 1968, expenditures targeted at the poor doubled, from $6 billion to $12 billion, and then doubled again to $24.5 billion by 1974. The billions of dollars spent to aid the poor did have effective results, especially in job training and job placement programs. Partly as a result of these initiatives—and also due to a booming economy—the rate of poverty in America declined significantly during the Johnson years. Millions of Americans raised themselves above the "poverty line," and the percentage under it declined from 20 to 12 percent between 1964 and 1974. Nevertheless, the controversy surrounding the War on Poverty hurt the Democrats, contributing to their defeat in 1968 and engendering deep antagonism from racial, fiscal, and cultural conservatives.

#### Civil Rights and Race Relations

Johnson was from the South and had grown up under the system of "Jim Crow" in which whites and blacks were segregated in all public facilities: schools, hotels and restaurants, parks and swimming pools, hospitals, and so on. Yet even as a senator, he had become a moderate on race issues and was part of efforts to guarantee civil rights to African Americans. When Johnson assumed the presidency, he was heir to the commitment of the Kennedy administration to pass the Civil Rights Act of 1964 ending segregation in public facilities. As a result of his personal leadership and lobbying with key senators, he forged a bipartisan coalition of northern and border-state Democrats and moderate Republicans. These senators offset a coalition of southern Democrats and right-wing Republicans, and a bill was passed. It made segregation by race illegal in public accommodations involved in interstate commerce—in practice this would cover all but the most local neighborhood establishments.

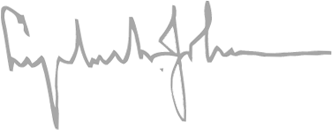
The following year, civil rights activists turned to another issue: the denial of voting rights in the South. Since the 1890s, blacks had been denied access to voting booths by state laws that were administered in a racially discriminatory manner by local voting registrars. These included (1) literacy tests which could be manipulated so that literate blacks would fail; (2) "good character" tests which required existing voters to vouch for new registrants and which meant, in practice, that no white would ever vouch for a black applicant; and (3) the "poll tax" which discriminated against poor people of any race. The poll tax was eliminated by constitutional amendment, which left the literacy test as the major barrier. In 1965, black demonstrators in Selma, Alabama, marching for voting rights were attacked by police dogs and beaten bloody in scenes that appeared on national television.

In response to public revulsion, Johnson seized the opportunity to propose the Voting Rights Act of 1965. This piece of legislation provided for a suspension of literacy tests in counties where voting rates were below a certain threshold, which in practice covered most of the South. It also provided for federal registrars and marshals to enroll African American voters. The law was passed by Congress, and the results were immediate and significant. Black voter turnout tripled within four years, coming very close to white turnouts throughout the South. Blacks entered the previously "lily white" Democratic Party, forging a biracial coalition with white moderates. Meanwhile, white conservatives tended to leave the Democratic Party, due to their opposition to Johnson's civil rights legislation and liberal programs. Many of these former Democrats joined the Republican Party that had been revitalized by Goldwater's campaign of 1964. The result was the development of a vibrant two-party system in southern states—something that had not existed since the 1850s.

Even with these measures, racial tensions increased. In addition, the civil rights measures championed by the President were seen as insufficient to minority Americans; to the majority, meanwhile, they posed a threat. Between 1964 and 1968, race riots shattered many American cities, with federal troops deployed in the Watts Riots in Los Angeles as well as in the Detroit and Washington, D.C., riots. In Memphis in the summer of 1968, Martin Luther King Jr., one of the leaders of the civil rights movement, was gunned down by a lone assassin. There were new civil disturbances in many cities, but some immediate good came from this tragedy: A bill outlawing racial discrimination in housing had been languishing in Congress, and King's murder renewed momentum for the measure. With Johnson determined to see it pass, Congress bowed to his will. The resulting law began to open up the suburbs to minority residents, though it would be several decades before segregated housing patterns would be noticeably dented.

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Although the Great Society, the War on Poverty, and civil rights legislation all would have a measurable and appreciable benefit for the poor and for minorities, it is ironic that during the Johnson years civil disturbances seemed to be the main legacy of domestic affairs. Johnson appointed the Kerner Commission to inquire into the causes of this unrest, and the commission reported back that America had rapidly divided into two societies, "separate and unequal." It blamed inequality and racism for the riots that had swept American cities. Johnson rejected the findings of the commission and thought that they were too radical. By 1968, with his attention focused on foreign affairs, the President's efforts to fashion a Great Society had come to an end.



# President Nixon (1969-1974)

### <http://millercenter.org/president/nixon/essays/biography/4>

### Domestic Affairs

The Nixon administration marked the end of America's long period of post-World War II prosperity and the onset of a period of high inflation and unemployment-"stagflation." Unemployment was unusually low when Nixon took office in January 1969 (3.3 percent), but inflation was rising. Nixon adopted a policy of monetary restraint to cool what his advisers saw as an overheating economy. "Gradualism," as it was called, placed its hopes in restricting the growth of the money supply to rein in the economic boom that occurred during Lyndon Johnson's last year in office.

But gradualism, as its name implied, did not produce quick results. As the congressional election year of 1970 began, Nixon, according to Haldeman's diary, repeatedly asked the chairman of his Council of Economic Advisers "to explain why we hadn't solved the inflation problem." The President also said "that he never heard of losing an election because of inflation, but lots were lost because unemployment or recession. Point is, he's determined not to let the war on inflation get carried to the point that it will lose us House or Senate seats in November." Political concerns would play an overriding role in the economic decisions of Nixon's first term.

Nixon's fears proved well-founded. By the end of 1970, unemployment rose to the politically damaging level of 6 percent. In that year, Nixon appointed his chief economic adviser, Arthur Burns, chairman of the Federal Reserve; Burns quickly asserted his independence by giving the President an ultimatum: if Nixon failed to hold federal spending under $200 billion, Burns would continue to keep the money supply tight to fight inflation. Nixon acceded to Burns demands. To save money, he delayed pay raises to federal employees by six months. One result was a strike by the nation's postal workers. Although Nixon used the U.S. Army to keep the postal system going, he ultimately yielded to the postal workers' wage demands, undoing some of the budget-balancing that Burns demanded.

Nixon found himself entering the congressional campaign season faced with unemployment, inflation, and Democratic demands for an "incomes policy" to check spiraling prices and wages. Some called for wage and price controls. In the fall, Republicans picked up two seats in the Senate but lost nine in the House, a development that Nixon blamed on the economy.

The economy continued to deteriorate. By the middle of 1971, unemployment reached 6.2 percent while inflation raged unchecked. Nixon decided his administration needed a single economic spokesman and tapped Treasury Secretary John Connally as its mouthpiece. Connally made sweeping statements about the President's intentions: "Number one, he is not going to initiate a wage-price board. Number two, he is not going to impose mandatory price and wage controls. Number three, he is not going to ask Congress for any tax relief. And number four, he is not going to increase federal spending."

Within a matter of weeks, the Treasury Secretary and the President would reverse course. In August 1971, Nixon gathered all of his economic advisers at Camp David and emerged with a New Economic Policy that stood the old one on its head. The NEP violated most of Nixon's long-held economic principles, but he was never one to let principle stand in the way of politics, and his dramatic turnaround on economic issues was immediately and enormously popular. One participant in the Camp David meeting, Herb Stein, thought the assemblage of advisers "acquired the attitude of scriptwriters preparing a TV special to be broadcast on Sunday evening." The announcement had to be as dramatic as possible. "After the special," as Stein put it, "regular programming would be resumed."

Nixon came up with a smash hit. He announced a wage-and-price freeze, tax cuts, and a temporary closure of the "gold window," preventing other nations from demanding American gold in exchange for American dollars. To improve the nation's balance of trade, Nixon called for a 10 percent import tax. Public approval was overwhelming.

Nixon then became the beneficiary of some good luck. An economic boom, which began late in 1971, lasted well into the 1972 campaign season, long enough for Nixon to parlay its effects into reelection that November.

The downturn resumed, however, in 1973. Expansive fiscal and monetary policies combined with a shortage of food (aggravated by massive Soviet purchases of American wheat) to fuel inflation. And then came the oil shock. Oil prices were rising even before the onset of the Arab oil boycott in October of 1973. Ultimately, inflation would climb to 12.1 percent in 1974 and help push the economy into recession. When Nixon left office, the economy was in the tank, with rising unemployment and inflation, lengthening gas lines, and a crashing stock market.

#### Regulation and Social Legislation

"Probably more new regulation was imposed on the economy," wrote Herb Stein, the chairman of Nixon's Council of Economic Advisers, "than in any other presidency since the New Deal."

The federal government took an active role in preventing on-the-job accidents and deaths when Nixon in 1970 signed into law a bill to create the Occupational Safety and Health Administration (OSHA). That same year, rising concern about the environment led him to propose an Environmental Protection Agency (EPA) and a National Oceanic and Atmospheric Administration (NOAA), and to sign amendments to the 1967 Clean Air Act calling for reductions in automobile emissions and the national testing of air quality. Other significant environmental legislation enacted during Nixon's presidency included the 1972 Noise Control Act, the 1972 Marine Mammal Protection Act, the 1973 Endangered Species Act, and the 1974 Safe Drinking Water Act.

Despite this blizzard of legislation, environmentalists found much to criticize in Nixon's record. The President impounded billions of dollars Congress had authorized to implement the Clean Air Act, lobbied hard for the air-polluting Supersonic Transport, and subjected environmental regulation to cost-benefit analyses which highlighted the economic costs of preserving a healthy ecosystem.

Nixon proposed more ambitious programs than he enacted, including the National Health Insurance Partnership Program, which promoted health maintenance organizations (HMOs). He also proposed a massive overhaul of federal welfare programs. The centerpiece of Nixon's welfare reform was the replacement of much of the welfare system with a negative income tax, a favorite proposal of conservative economist Milton Friedman. The purpose of the negative income tax was to provide both a safety net for the poor and a financial incentive for welfare recipients to work.

Nixon also proposed an expansion of the Food Stamp program. His Family Assistance Program was bold, innovative-even radical-and, apparently, insincere. "About Family Assistance Plan," Haldeman wrote in his diary, the President "wants to be sure it's killed by Democrats and that we make big play for it, but don't let it pass, can't afford it." One part of Nixon's welfare reform proposal did pass and become a lasting part of the system: Supplemental Security Income (SSI) provides a guaranteed income for elderly and disabled citizens. The Nixon years also brought large increases in Social Security, Medicare, and Medicaid benefits.

#### Watergate

Watergate was so much more than a single crime and cover-up that it is impossible to summarize the tangle of abuses of presidential power that today are grouped under the name of the hotel where the Democratic National Committee had its offices. The arrest of five men in those offices on June 17, 1972, was the first step toward unearthing a host of administration misdeeds. It was to hide those other crimes that Nixon and his men launched the cover-up, the investigation of which helped to unravel that string of illegal conduct.

Indeed, Watergate was far from the first break-in. A year earlier, Nixon had unconstitutionally created his own secret police organization, the Special Investigations Unit, to unearth a conspiracy that he feared would leak some of his most damaging foreign policy secrets, including the secret bombing of Cambodia and Laos. The President, however, could not convince FBI Director J. Edgar Hoover that such a conspiracy actually existed. Nixon also wanted to expose the alleged conspiracy in the press, something the Justice Department could not legally do. He decided he needed his own team to investigate the conspiracy and leak damaging stories about it. Thus was born the SIU, better known by its nickname, "The Plumbers," an inside joke about its mission to fix leaks.

The immediate cause of Nixon's concern was the publication of the Pentagon Papers, a massive study of the Vietnam War as it was conducted by Nixon's predecessors. The study was commissioned by Robert S. McNamara, the secretary of defense under Kennedy and Johnson. It did not contain a word about the Nixon administration but it did reference top secret documents from the two prior presidencies. The leak ignited Nixon's fear that his own politically damaging secrets would be exposed before the 1972 election. He suspected a conspiracy and resolved to destroy it before it destroyed him.

It was to find out more about this imaginary conspiracy that two of the Plumbers, ex-CIA agent E. Howard Hunt and ex-FBI agent G. Gordon Liddy, planned and carried out an operation to discredit Daniel Ellsberg, the man who leaked the Pentagon Papers. Hunt and Liddy burglarized the offices of Ellsberg's psychiatrist, looking for damaging information on the former Pentagon aide and military operative. Hunt recruited the break-in team through members of the Cuban expatriate community in Florida he knew from his time as a CIA agent working on the Bay of Pigs invasion. When some of those same Cuban expatriates were arrested in the Watergate complex, and when it was discovered that Hunt and Liddy were behind the Watergate break-in as well, Nixon sought desperately to cover up their earlier misdeeds.

In fact, it was his concern with those earlier transgressions that gave rise to a post-Watergate political axiom: that the cover-up of the crime can be more damaging than the crime itself. Nixon's creation of a secret police organization without congressional authorization—one that carried out an illegal break-in without a warrant, no less— would ultimately become a basis for one of the articles of impeachment brought against him by the House Judiciary Committee. As Howard Hunt would put it in an angry memo as his prosecution moved forward, "The Watergate bugging is only one of a number of highly illegal conspiracies engaged in by one or more of the defendants at the behest of senior White House officials. These as yet undisclosed crimes can be proved." Nixon's chief aide, Bob Haldeman, was caught on tape alluding to this very issue:

Haldeman: The problem is that there are all kinds of other involvements and if they started a fishing thing on this they're going to start picking up other tracks. That's what appeals to me about trying to get one jump ahead of them and hopefully cut the whole thing off and sink all of it. [June 21, 1972, quoted in Stanley Kutler's Abuse of Power]

The hope of cutting off the investigation led, two days later, to the conversation between Nixon and Haldeman that became known as the "smoking gun" tape when the White House released it under court order in 1974. In this exchange, Nixon decided to have the CIA tell the FBI to, in Haldeman's words, "Stay the hell out of this." Nixon suggested that the CIA say that "the problem is that this will open the whole, the whole Bay of Pigs thing, and the President just feels that, ah, without going into the details—don't, don't lie to them to the extent to say no involvement, but just say this is a comedy of errors, without getting into it, the President believes that it is going to open the whole Bay of Pigs thing up again."

The White House managed to prevent Watergate's political fallout from affecting the 1972 election. But Nixon had hardly begun his second term when the dam broke. In February 1973, L. Patrick Gray, Nixon's nominee to succeed the late J. Edgar Hoover as head of the FBI, revealed during his confirmation hearings that he had allowed John W. Dean, a White House legal counsel, to sit in on FBI interviews of Watergate suspects. Nixon refused to allow Dean to testify before the Senate Watergate committee chaired by Sam Ervin (D-N.C.), citing the doctrine of executive privilege. Gray's nomination was all but dead. "Let him hang there," John D. Ehrlichman said memorably. "Let him twist slowly, slowly, in the wind."

At the sentencing hearing for the Watergate burglars on March 23, 1973, Judge John J. Sirica read a letter from James McCord, an ex-CIA man and the security chief for Nixon's reelection campaign until his arrest in the burglary. The letter made four points:

1. There was political pressure applied to the defendants to plead guilty and remain silent.

2. Perjury occurred during the trial of matters highly material to the very structure, orientation, and impact of the government's case, and to the motivation and intent of the defendants.

3. Others involved in the Watergate operation were not identified during the trial, when they could have been by those testifying.

4. The Watergate operation was not a CIA operation. The Cubans may have been misled by others into believing that it was a CIA operation. I know for a fact that it was not.

The investigation began to close in on Dean, who, unbeknownst to the President, decided to turn state's evidence. By the end of April, Nixon announced the resignations of Dean, Haldeman, and Ehrlichman. The next month brought the Senate Watergate hearings, televised and widely watched. As witness after witness revealed more details about scandals old and new, Nixon's approval rating sank like a stone. One witness, Alexander P. Butterfield, a former Haldeman aide who then headed the Federal Aviation Administration, revealed the existence of Nixon's White House taping system. Objective evidence existed to determine who was telling the truth—the White House or its accusers.

Watergate special prosecutor Archibald Cox subpoenaed the tapes. In October, Nixon fired Cox, a move that prompted the resignations of Attorney General Elliot Richardson and his deputy, William Ruckelshaus. The "Saturday Night Massacre," as it quickly became known, backfired on Nixon. The outrage it inspired among the American public led him to reverse course and agree to turn over the tapes to Judge Sirica. A new special prosecutor, Leon Jaworski, was appointed and subpoenaed 64 more tapes, including the July 23, 1972, "smoking gun" tape. Jaworski took the case all the way to the Supreme Court, which voted 8-0 to uphold the subpoena. With the release of the tapes, the bottom fell out of Nixon's political support. Senator Barry Goldwater, the conservative leader, told the President that there were a maximum of 18 senators who might vote against his conviction on the articles of impeachment—too few to save him. The Nixon presidency was over.

Nixon announced his resignation on August 8, 1974, to take effect at noon the next day.

In his inaugural address, incoming President Gerald R. Ford declared, "Our long national nightmare is over." One month later, he granted Richard Nixon a full pardon.

